



UNITED STATES DEPARTMENT OF COMMERCE  
International Trade Administration  
Washington, D.C. 20230

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MAR 19 1982

MEMORANDUM FOR: Henry Rowen  
National Intelligence Officer  
Central Intelligence Agency

*File Pipeline*

FROM: Lawrence J. Brady  
Assistant Secretary  
for Trade Administration

SUBJECT: Cost Estimates of Siberian Pipeline.

I have quickly reviewed the most recent C.I.A. assessment of the Siberian pipeline. There are still a few unanswered questions relating to cost which deserve further attention.

1. At what point does the entire project become uneconomic for Western banks because of construction delays, Soviet failure to deliver gas at specified volume or price, or slackness of demand in Western Europe?
2. I have seen cost estimates for the project ranging from \$22 billion to \$45 billion. What would account for this wide variation? Has CIA undertaken any assessment of the labor costs of this project? Where will the manpower come from, given the severe labor shortages in Siberia? Will there be sufficient volunteers (Komsomol students, etc.) for the pipeline and infrastructure, or will forced labor, including dissidents, be utilized?

